

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
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FM AMCONSUL STUTTGART
TO AMEMBASSY BONN
INFO SECSTATE WASHDC 4452
USMISSION USBERLIN
AMCONSUL BREMEN
AMCONSUL DUSSELDORF
AMCONSUL FRANKFURT BY POUCH
AMCONSUL HAMBURG
AMCONSUL MUNICH

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E.O. 11652: N/A
TAGS: PINT, GW
SUBJECT: DAIMLER BENZ AND OTHER FIRMS ACCUSED OF USING
LIECHTENSTEIN GAMBIT TO FUND CDU

1. SUMMARY. THE PRESS HAS REPORTED THAT DAIMLER BENZ AND OTHER LOCAL FIRMS HAVE FUNNELED PAYMENTS TO THE CDU VIA PAYMENTS TO LIECHTENSTEIN "CONSULTANTS" FOR TRUMPED-UP STUDIES. THE SPD IS SEEKING TO EXPLOIT THIS ISSUE IN WHICH WE UNDERSTAND LAND CABINET MINISTERS MAY BE INVOLVED. END SUMMARY.

2. THE LOCAL PRESS REPORTED JUNE 30 THAT STUTTGART'S PROSECUTING ATTORNEY HAD OPENED AN INVESTIGATION SOME YEARS AGO AGAINST DAIMLER BENZ FOR ALLEGED ABUSE OF TAX REGULATIONS IN CONNECTION WITH A PAYMENT OF 200,000 DM TO THE CDU. THIS INVESTIGATION REPORTEDLY WAS DROPPED AFTER EXPIRATION OF THE FIVE YEAR PERIOD APPLICABLE UNDER THE STATUTE OF LIMITATIONS. TWO ADDITIONAL
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CASES, HOWEVER, REMAIN CURRENT. THE FIRM NANZ, WHICH OPERATES A CHAIN OF SUPERMARKETS, WILL FACE TRIAL IN SEPTEMBER ON THE CHARGE OF MAKING A SIMILAR PAYMENT OF 20,000 DM, WHILE THE CONSTRUCTION FIRM BARESEL IS ACCUSED OF CONTRIBUTING 48,000 DM. STUTTGART'S PROSECUTING ATTORNEY, HERR INGO KOENIG, HAS STATED THAT ALL THREE FIRMS HAD USED THE SAME APPROACH, THAT OF PAYING A CONSULTANT IN LIECHTENSTEIN FOR STUDIES WHICH WERE CLEARLY

WORTH FAR LESS THAN THE SUMS PAID.

3. MEMBERS OF THE SPD FACTION OF THE LANDTAG ON JUNE 30 REQUESTED THE LANDTAG TO ASK THE LAND GOVERNMENT TO EXPLAIN WHAT THE GOVERNMENT HAD DONE IN THE CASE OF DAIMLER BENZ, AND WHY THIS CASE HAD NOT BEEN TRIED IN PUBLIC COURT GIVEN THE APPARENT REQUIREMENT THAT CASES INVOLVING POTENTIAL FINES OF 80,000 DM OR MORE BE SO HANDLED.

4. A KNOWLEDGEABLE SPD SOURCE HAS COMMENTED TO US THAT THE SPD RAISED THESE QUESTIONS ONLY AFTER IT WAS SURE THAT THE SPD IN BADEN-WUERTTEMBERG WAS ITSELF "CLEAN" IN THIS REGARD. HE ADDED THAT THE SPD WAS "CLEAN" SIMPLY BECAUSE IT HAD NOT HAD THE GOOD FORTUNE OF RECEIVING FUNDS FROM COMPANIES THAT HAD USED THE LICHTENSTEIN GAMBIT. HE UNDERSTOOD, HE SAID, THAT THESE FIRMS WERE BOLD INDEED -- THE "STUDIES" FOR WHICH THEY HAD PAID SO HANDSOMELY WERE ONLY PHOTOCOPIES OF PRESS ARTICLES. THE SPD HAD, HE SAID, SOME 300 PAGES OF TESTIMONY FROM A FORMER TAX OFFICIAL WHO WAS REMOVED FROM HIS JOB AFTER HIS INVESTIGATION UNCOVERED INFORMATION IMPLICATING THREE MINISTERS IN THE LAND GOVERNMENT OF BADEN-WUERTTEMBERG.

5. COMMENT. CDU CONTROL OF THE LANDTAG AND THE ADMINISTRATION OBVIOUSLY GIVES IT THE ADVANTAGE IN CONTROLLING THE DEGREE TO WHICH DAMAGING INFORMATION MAY BE RELEASED PUBLICLY IN RESPONSE TO THE SPD MOTION. THE 300 PAGES OF TESTIMONY AVAILABLE TO THE SPD LIMITED OFFICIAL USE

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MAY BE THE SAME THAT WERE SWEEPED ASIDE BY THE CDU DURING LANDTAG DISCUSSION OF THIS ISSUE LAST YEAR. IT SEEMS LIKELY, MEVERTHELESS, THAT THE STATE GOVERNMENT, ALREADY UNDER A CLOUD AS A RESULT OF THE "FILBINGER AFFAIR," MAY SOON LOSE A BIT MORE OF ITS LUSTRE, PARTICULARLY IF ANYTHING WERE TO BE PINNED ON PRESENT MEMBERS OF THE CABINET.
MILLER

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Message Attributes

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Draft Date: 06 jul 1978
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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